

## Message Text

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17

ACTION AF-08

INFO OCT-01 NEA-10 ISO-00 EB-07 /026 W  
----- 082175

R 011645Z SEP 76  
FM AMEMBASSY NOUAKCHOTT  
TO SECSTATE WASHDC 6254  
USDOC WASHDC  
INFO AMEMBASSY KUWAIT

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COMMERCE FOR MAJOR PROJECTS

E.O. 11652: N/A

TAGS: EINV, BEXP, MR, KU, US

SUBJECT: MAJOR PROJECT: PELLETIZING PLANT

REF: NOUAKCHOTT 1882

1. FIVE-STRONG ALLIS-CHALMERS DELEGATION LED BY JAMES E. FINK, GENERAL MANAGER OF MINING SYSTEMS DIVISION, CALLED AT EMBASSY AUGUST 26. FINK EXPLAINED THAT PURPOSE OF VISIT TO MAURITANIA WAS TO GATHER ADDITIONAL INFORMATION ON PROPOSED PELLETIZING PLANT SO THAT ALLIS-CHALMERS COULD REFINE ITS BID ON PROJECT. DELEGATION VISITED IRON ORE STORAGE AND LOADING FACILITY AT NOUADHIBOU, WHICH IS ALSO SITE OF PROPOSED PELLETIZING PLANT, AND MET WITH REPRESENTATIVES OF SOCIETE ARABE DE L'INDUSTRIE METALLURGIQUE (SAMIA), ORGANIZATION WHICH ISSUED TENDER FOR PROJECT.

2. ALLIS-CHALMERS HAS CONCLUDED THAT ONLY TWO COMPANIES ARE STILL UNDER SERIOUS CONSIDERATION FOR CONTRACT: (A) ALLIS CHALMERS AND (B) KOBE STEEL OF JAPAN WHICH HOLDS LICENSE FOR ALLIS-CHALMERS EQUIPMENT, THIRD COMPANY, VOEST ALPINE OF AUSTRIA, IS APPARENTLY NO LONGER IN CONTENTION. SHOULD ALLIS-CHALMERS WIN CONTRACT, DELEGATION FROM SAMIA MAY VISIT US IN MID-SEPTEMBER. THIS WOULD BE FOLLOWED BY SAMIA BOARD MEETING, FINAL NEGOTIATING SESSION

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IN KUWAIT, AND SIGNATURE OF CONTRACT IN NOUAKCHOTT.

ALLIS-CHALMERS GROUP WAS SURPRISED AT HOW QUICKLY EVERY-  
THING IS MOVING AND IS UNDER IMPRESSION FINAL NEGOTIATING  
SESSION COULD TAKE PLACE IN EARLY OCTOBER.

3. ALLIS-CHALMERS CONFIRMED OUR INDEPENDENT VIEW THAT  
SAMIA IS NEITHER VERY WELL ORGANIZED NOR FULLY COGNIZANT OF  
BIG TASK BEFORE IT. SAMIA IS NOT, FOR EXAMPLE, PAYING SUF-  
FICIENT ATTENTION TO DETAILS OF PROJECT. CONSEQUENTLY  
ALLIS-CHALMERS HAS CONCLUDED THAT ITHMAY SUBMIT A BID WHICH  
ELIMINATES SOME OF THE MORE SOPHISTICATED TRAPPINGS IT  
COULD INCLUDE IN BIDS ELSEWHERE. ALTHOUGH IT IS STILL NOT  
ENTIRELY CLEAR, FINK THOUGHT FINAL TECHNICAL DECISION ON  
BIDS WOULD BE MADE IN NOUAKCHOTT WHILE FINAL DECISION ON  
FINANCIAL ASPECT WOULD BE DONE IN KUWAIT.

4. IN SPEARATE AND EARLIER MEETING WITH EMBASSY OFFICERS,  
KANSAS CITY REPRESENTATIVE OF LANG/PRITCHARD, US COM-  
PANY BUILDING SUGAR REFINERY IN NOUAKCHOTT, CONFIRMED ON BA-  
SIS OF DISCUSSIONS WITH GIRM THAT FRONTRUNNERS FOR PELLETI-  
ZING PLANT ARE ALLIS-CHALMERS AND KOBE STEEL. AT SAME  
TIME, LANG/PRITCHARD RREPRESENTATIVE WAS CRITICAL OF  
MANNER IN WHICH ALLIS-CHALMERS IS PROCEEDING. REPRE-  
SENTATIVE THOUGHT ALLIS-CHALMERS IS TOO CONCERNED WITH  
SELLING EQUIPMENT AND NOT FOCUSING SUFFICIENTLY ON ALL  
THE OTHER DIMENSIONS SURROUNDING CONSTRUCTION OF PELLE-  
TIZING PLANT. LANG/PRITCHARD IS INTERESTED IN LINKING  
UP WITH SUCCESSFUL BIDDER SO THAT IT CAN SELL ITS SKILLS  
AND PREVIOUS EXPERIENCEIN MAURITANIA. ALTHOUGH LANG/  
PRITCHARD WOULD PREFER TO WOAC WITH ALLIS-CHALMERS,  
IT IS PREPARED TO DO BUSINESS WITH KOBE STEEL IF IT AP-  
PEARS THAT KOBE WILL GET CONTRACT.

5. LANG/PRITCHARD REPRESENTATIVE TOLD EMBASSY OFFICERS  
HE WILL RECOMMEND THAT SENIOR LANG/PRITCHARD MANAGEMENT  
OFFICIAL CONTACT SENIOR ALLIS-CHALMERS OFFICIAL FOR PUR-  
POSE OF URGING ALLIS-CHALMERS TO CONCENTRATE MORE CLOSELY ON ALL  
ELEMENTS OF PROJECT. WITHOUT MAKING REFERENCE TO COM-  
MENTS BY LANG/PRITCHARD REPRESENTATIVE, MAJOR PROJECTS  
IN DEPARTMENT OF COMMERCE MAY WANT TO EXPLORE THIS SITU-  
ATION WITH ALLIS-CHALMERS.

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## Message Attributes

**Automatic Decaptoning:** X  
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